

Assembly Bill No. 2530

CHAPTER 541

An act to amend Sections 10250.1, 10250.2, 10260, 11003.5, and 11023 of, and to add Sections 10250.8, 10250.10, 10250.11, 10250.52, 10250.53, 10250.54, 11018.8, 11018.9, 11018.10, and 11018.11 to, the Business and Professions Code, and to amend Sections 2188.8 and 2188.9 of the Revenue and Taxation Code, relating to real estate.

[Approved by Governor September 14, 1996. Filed
with Secretary of State September 16, 1996.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2530, Miller. Real estate: time-share projects.

Existing law, the Real Estate Law, regulates the sale or lease or offer for sale or lease of lots or parcels in a subdivision located outside of this state. Existing law defines "subdivision" to include a time-share project and a qualified resort vacation club.

This bill would, for purposes of this law, include within the meaning of a subdivision, a multisite time-share project, as defined, which includes accommodations and facilities located either entirely outside of this state or both within and outside of this state.

Existing law provides that the sale or lease, or the offering for sale or lease, of lots or parcels in a subdivision shall be subject to specified provisions of law relating to real property securities dealers.

This bill would delete this provision.

Existing law regulates the sale, lease, and offer for sale or lease in this state of time-share projects situated outside this state and qualified resort vacation clubs, as specified.

This bill would require a subdivider or person offering one of these interests for sale to first obtain a permit from the Real Estate Commissioner, and would enact other related provisions.

This bill would provide that exchange programs, as defined, are not a part of a time-share project offering and that an incidental benefit, as defined, is not part of the offering of interests in a subdivision. This bill would also provide that if a purchaser of a time-share interest in a subdivision is offered the opportunity to become a member of an exchange program or to acquire an incidental benefit in connection with a time-share interest, the subdivider must include in the public report specified information regarding the exchange program or the incidental benefit being offered.

Existing law generally requires a person who intends to offer subdivided lands within this state for sale or lease to apply for, and receive, a public report from the Department of Real Estate. Existing

law requires the application to disclose specified information concerning the subdivided lands and the proposed offering.

This bill would authorize the commissioner to accept information submitted to another state to qualify the subdivision or project for sale in that state and to use or incorporate information contained in a disclosure statement issued by another state.

This bill would make it unlawful for a person to sell or lease any interest in a multisite time-share project without first obtaining a public report covering each component site, as specified. The bill would also make it unlawful for a subdivider to offer for sale or lease a time-share interest in a single-site time-share project unless the subdivider complies with specified conditions with respect to component sites affiliated through a reservation system. Because a violation of these provisions would be a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Existing property tax law provides for the separate assessment of time-share estates in time-share projects and of time-share projects, upon written request, and also authorizes the county to charge a fee for the initial and the ongoing costs of the separate assessment and billing, and mailings, with respect to a time-share project.

This bill would establish a procedure for the termination of separate assessments of time-share estates in time-share projects and of time-share projects.

The people of the State of California do enact as follows:

SECTION 1. Section 10250.1 of the Business and Professions Code is amended to read:

10250.1. "Subdivision," as used in this article, includes all of the following:

(a) A time-share project as defined in subdivision (a) of Section 11003.5 and subdivision (e) of Section 11004.5, situated outside this state, including, without limitation, a project situated outside the United States but only if it consists of, or will consist of, two or more distinct geographic locations, one of which is located within the United States.

(b) A qualified resort vacation club as defined in Section 10260.

(c) A multisite time-share project as defined in subdivision (f) of Section 11003.5, which includes accommodations and facilities located either entirely outside of this state or both within and outside of this state.



SEC. 2. Section 10250.2 of the Business and Professions Code is amended to read:

10250.2. (a) The sale or lease, or the offering for sale or lease, of lots or parcels in a subdivision shall be governed by Chapter 1 (commencing with Section 11000) of Part 2, insofar as applicable.

(b) Subject to the provisions of Sections 11018.8, 11018.9, 11018.10, 11018.11, and 10250.8, the commissioner shall apply the provisions of Sections 11018 and 11018.5, after taking into consideration the differences in the applicable laws of the various states with respect to subdivisions, to afford substantially the same level of public protection to purchasers of an interest in a subdivision offering governed by this article as is afforded to purchasers of subdivision interests situated entirely within this state. The commissioner may adopt regulations reasonably necessary to enforce this article.

SEC. 3. Section 10250.8 is added to the Business and Professions Code, to read:

10250.8. In determining whether to issue a permit or a public report for a subdivision as defined in Section 10250.1, the commissioner may accept information submitted to another state in order to qualify the subdivision or project for sale within that state. The commissioner may use or incorporate information contained in a disclosure statement issued by another state.

SEC. 4. Section 10250.10 is added to the Business and Professions Code, to read:

10250.10. For purposes of this chapter, exchange programs shall not be considered to be a part of a subdivision offering. If a purchaser of a time-share interest in a subdivision subject to this article is offered the opportunity to become a member of an exchange program, the provisions of Section 11018.8 shall apply to the sale of time-share interests.

SEC. 5. Section 10250.11 is added to the Business and Professions Code, to read:

10250.11. Incidental benefits shall not be a part of the offering of interests in a subdivision. If a purchaser of a time-share interest in a subdivision subject to this article is offered the opportunity to acquire an incidental benefit in connection with a time-share interest, the provisions of Section 11018.9 shall apply.

SEC. 6. Section 10250.52 is added to the Business and Professions Code, to read:

10250.52. No interest in a subdivision, as defined in Section 10250.1, shall be sold to the public unless either the subdivider or person offering the interest for sale first obtains a permit from the commissioner.

SEC. 7. Section 10250.53 is added to the Business and Professions Code, to read:

10250.53. If the commissioner finds that the proposed offering of interest in a subdivision, as defined in Section 10250.1, meets the

applicable requirements of this article, the commissioner shall issue to the applicant a permit authorizing the sale or the offering for sale of the subdivision interest upon those terms and conditions as the commissioner may provide in the permit. Otherwise, the commissioner shall deny the application and refuse the permit, and notify the applicant in writing of his or her decision.

SEC. 8. Section 10250.54 is added to the Business and Professions Code, to read:

10250.54. Any applicant objecting to the denial of a permit or the conditions of a permit may apply for a hearing and shall be granted a hearing by the commissioner upon the legality or reasonableness of the denial or the conditions.

SEC. 9. Section 10260 of the Business and Professions Code is amended to read:

10260. A “qualified resort vacation club” shall be deemed to be a time-share project as defined in Section 11003.5 irrespective of how vacation club interests may be qualified for offering in another state or jurisdiction. No permit may be issued under this article for a qualified resort vacation club unless the commissioner determines that the project conforms to each of the following:

(a) A project for which vacation club interests are sold or offered for sale, each incorporating access (in accordance with the purchaser’s vacation club interest) to the reservation of use and occupancy of any accommodations at any individual resort property which is part of the project, irrespective of the one, or any one, of those distinct individual resort properties in which the individual purchaser or owner holds or may hold a vacation club interest, and in which, by acquiring the vacation club interest the use of that vacation club interest is committed to the reservation system as provided in subdivision (d). That access to the reservation system shall be without priority among owners of the vacation club interests at the individual resort property at which that applicant for a reservation holds a vacation club interest, or at any other individual resort property that is part of the project after a limited period of time which may be reserved exclusively for owners who hold vacation club interests at that specific individual resort property, and then uniformly applied among all owners irrespective of the individual resort properties in which they hold a vacation club interest. The vacation club interest shall be (1) an undivided real property interest in a dwelling unit or structure containing more than one dwelling unit, as a tenant in common with other purchasers of undivided interests which have an attached nonseverable membership interest pursuant to subdivision (g) of Section 11004.5 providing rights of access to each and every individual resort property which is part of the project, or (2) as determined by the commissioner, a similar interest pursuant to the law of the jurisdiction in which the individual resort property outside of California is located. Nothing contained



herein shall preclude a vacation club interest in an individual resort property in a qualified resort vacation club from being classified as interests in real property or other classification as may be permitted under applicable law.

(b) A project in which there are included dwelling units located outside of this state, and in which there may also be included dwelling units located inside of this state.

(c) A project in which a system exists for allocation of all costs and expenses (1) for the operation and management of the reservation system for more than one individual resort property, and including each individual resort property which is part of the project, pursuant to which all owners may reserve use and occupancy of accommodations at any individual resort property which is part of the qualified resort vacation club, and (2) for the operation, maintenance, repair, and management of the individual resort properties.

(d) A project which includes a sufficient number of dwelling units to accommodate the aggregate rights of use or occupancy of all owners of vacation club interests, and provides a reservation system for the reservation of those accommodations and a management system for the management of those accommodations, which systems provide adequately for the reservation and management of more than one individual resort property and including each individual resort property which is part of the project.

(e) The offering will be accompanied by a full and detailed disclosure, on a form included within the permit, that the purchase of a vacation club interest should be based on the value of the vacation club interest as a vacation or leisure time experience and not as an appreciating investment or an expectation of resale.

(f) A project in which, on and after the closing of the first sale subject to this article of a vacation club interest in that individual resort property, there is no blanket encumbrance affecting land on which any individual resort property which is part of the project is situated.

(g) A project for which the initial permit application shall include not less than 175 dwelling units, and not less than 8,750 time-share use periods. For the purposes of this section, a time-share use period shall be considered to be the minimum time segment measured in days for which units in that individual resort property may be reserved for use, but not less than seven days. Nothing in this section shall prohibit a reservation system from being implemented in any qualified resort vacation club that permits actual use and use periods shorter than seven days.

(h) A project in which there is more than one individual resort property, each situated at a distinct geographic location, providing time-share use periods of residential accommodations for member use, and common areas at each individual resort property which



include an amenity package of recreational or health facilities specified in the offering, except that an initial application may be approved where only one such individual resort property exists or is being developed if the commissioner determines that the applicant has demonstrated an intent through the planning process, or other organizational preparation, to develop one or more additional individual resort properties.

(i) A project in which vacation club interests in each individual resort property which is part of the offering shall be offered for sale, and initially managed by the applicant for a permit under this article or a holding company of the applicant or a subsidiary of either the applicant or its holding company.

If upon renewal of any permit under this article, the commissioner determines that any individual resort property is not managed by the applicant or a subsidiary of the applicant or its holding company, that factor shall be considered in determining whether the application for renewal conforms to subdivision (h) of Section 11018 or Section 11018.5.

(j) As used in this section, the following terms have the following meanings:

(1) “Individual resort property” means a specific geographic site where a portion of the accommodations and facilities of a qualified resort vacation club are located. If permitted under applicable law, separate phases operated as a single subdivision located at a specific geographic site under common management shall be deemed a single individual resort property for purposes of this article.

(2) “Project” means all of the individual resort properties comprising a qualified resort vacation club.

SEC. 10. Section 11003.5 of the Business and Professions Code is amended to read:

11003.5. (a) A “time-share project” is one in which a purchaser receives the right in perpetuity, for life, or for a term of years, to the recurrent, exclusive use or occupancy of a lot, parcel, unit, or segment of real property, annually or on some other periodic basis, for a period of time that has been or will be allotted from the use or occupancy periods into which the project has been divided.

(b) A “time-share estate” is a right of occupancy in a time-share project which is coupled with an estate in the real property.

(c) A “time-share use” is a license or contractual or membership right of occupancy in a time-share project which is not coupled with an estate in the real property.

(d) An “exchange program” is any method, arrangement, or procedure for the voluntary exchange of the right to use and occupy accommodations and facilities among purchasers of time-share interests or other property interests. An “exchange program” does not include the assignment of the right to use and occupy accommodations and facilities to purchasers of time-share interests

pursuant to a reservation system. Any method, arrangement, or procedure that otherwise meets this definition, wherein the purchaser's total contractual financial obligation exceeds three thousand dollars (\$3,000) per time-share interest shall be regulated as a multisite time-share project and shall be subject to the provisions of this article.

(e) An "incidental benefit" is an accommodation, product, service, discount, or other benefit, other than an exchange program, which is offered to a prospective purchaser of a time-share interest prior to the end of the rescission period set forth in Section 11024, the continuing availability of which for the use and enjoyment of owners of time-share interests in the time-share project is limited to a term of not more than five years.

(f) A "multisite time-share project" is any method, arrangement, or procedure, with respect to which a purchaser obtains, by any means, a recurring right to use and occupy accommodations or facilities in a time-share project consisting of more than one component site, only through use of a reservation system, on a nonpriority basis. The term does not include an exchange program wherein the purchaser's total contractual financial obligation does not exceed three thousand dollars (\$3,000) per time-share interest, a single-site time-share project, or a qualified resort vacation club.

(g) A "reservation system" is the method, arrangement, or procedure by which a purchaser of a time-share interest, (1) in order to reserve the use and occupancy of any accommodation or facility of a multisite time-share project or qualified resort vacation club for one or more use periods is required to compete with other owners of time-share interests in that multisite time-share project or qualified resort vacation club or (2) in order to reserve the use and occupancy of any accommodation or facility of a component site associated with a single-site time-share project is required to compete with other owners of time-share interests in those component sites, regardless of whether that reservation system is operated and maintained by (A) the person responsible for the operation and administration of that time-share project, (B) an exchange company, or (C) any other person. In the event that an owner of a time-share interest is required to use an exchange program as the owner's principal means of obtaining the right to use and occupy the accommodations and facilities of any time-share project, that arrangement shall be a reservation system.

(h) A "single-site time-share project" is a time-share project consisting of a single geographic site wherein a purchaser of a time-share interest in that site receives a right to reserve, on a priority basis, the use or occupancy of accommodations and facilities at that site. A single-site time-share project may be associated with other time-share projects, or other accommodations under a contractual or membership program through a reservation system.



SEC. 11. Section 11018.8 is added to the Business and Professions Code, to read:

11018.8. (a) Notwithstanding Section 11004.5 or 11018, or subdivisions (d) and (e) of Section 11018.5, an exchange program is not a part of a time-share project offering, except as provided in this section, and shall not be subject to the provisions of this part nor to regulations of the commissioner adopted pursuant thereto.

(b) If a purchaser of an interest in a time-share project is offered the opportunity to become a member of an exchange program, the subdivider shall include with the application for a public report the following information:

(1) The name and address of the exchange company.

(2) A copy of the form of the contract between the purchaser and the exchange company.

(3) A copy of any materials which will be used in promoting the exchange program.

(4) Whether the exchange company or any of its officers or directors have any legal or beneficial interest in any developer, seller, or managing entity for any time-share project participating in the exchange program and, if so, the identity of the time-share project and the nature of the interest.

(5) Whether the purchaser's participation in the exchange program is dependent upon the continued affiliation of the applicable time-share project with the exchange program.

(6) A fair and accurate description of the terms and conditions of the purchaser's contractual relationship with the exchange program and the procedure by which changes to the contract may be made.

(7) A fair and accurate description of the procedures necessary to qualify for and effectuate exchanges.

(8) Whether exchanges are arranged on a space-available basis and whether any guarantees of fulfillment of specific requests for exchanges are made by the exchange program.

(9) Whether and under what circumstances an owner of a time-share interest, in dealing with the exchange program, may lose the right to use and occupy an accommodation of the time-share project during a reserved use period with respect to any property applied for exchange without his or her being provided with substitute accommodations by the exchange program.

(10) The standard fees for participation by owners in the exchange program, a statement of whether any of those fees may be altered by the exchange company, and the circumstances under which alterations may be made.

(11) The name and address of the site of each accommodation or facility included within any time-share project.

(12) Any other information as the subdivider shall elect to include.

SEC. 12. Section 11018.9 is added to the Business and Professions Code, to read:

11018.9. (a) Notwithstanding anything to the contrary contained in subdivision (g) of Section 11004.5, Section 11018, and subdivisions (d) and (e) of Section 11018.5, an incidental benefit is not a part of the offering, and except as provided in this section shall not be subject to the provisions of this part nor to regulations of the commissioner adopted pursuant thereto.

(b) If a purchaser of an interest in a time-share project is offered the opportunity to acquire an incidental benefit in connection with a time-share interest, the subdivider shall include with the application for a public report a description of each incidental benefit, including the nature and amount of any user fees or costs associated therewith, and, any restrictions upon use or availability.

(c) Incidental benefits may only be offered if:

(1) The continued availability of any incidental benefit for the use and enjoyment of owners of time-share interests is not necessary in order for any accommodation or facility which is not an incidental benefit to be used, occupied, or enjoyed by the owners in a manner consistent in all material respects with the plan of use and enjoyment set forth in the time-share documents or represented by or on behalf of the subdivider, in writing in a purchaser's purchase contract, in the permit, or in any advertisement or promotion, or otherwise.

(2) The use of or participation in the incidental benefit by an owner of a time-share interest is completely voluntary, and payment of any fee or other cost associated with the incidental benefit is required only upon that use or participation.

(3) No costs of acquisition, operation, maintenance, or repair of the incidental benefit are passed on to purchasers of time-share interests in the time-share project as common expenses of the time-share project.

(d) The commissioner may issue a disclosure statement relating to any incidental benefits. A copy of the disclosure statement of the commissioner, when issued, shall be given to the prospective purchaser by the owner, subdivider, or agent prior to the execution of a binding contract or agreement for the sale of any interest in the time-share project.

SEC. 13. Section 11018.10 is added to the Business and Professions Code, to read:

11018.10. No person shall sell or lease, or offer for sale or lease in this state any interest in a multisite time-share project without first obtaining a public report covering each component site from the Real Estate Commissioner. For purposes of this section, the sale of an interest in a single-site time-share project coupled with a representation that a purchaser shall obtain a guaranteed right to use and occupy accommodations or facilities at more than one geographic site, shall be deemed to be the sale of an interest in a multisite time-share project.

SEC. 14. Section 11018.11 is added to the Business and Professions Code, to read:

11018.11. (a) With respect to component sites available to purchasers of time-share interests in single-site time-share projects, it shall be unlawful for a subdivider to offer for sale or lease a time-share interest in the single-site time-share project unless, as to each component site affiliated through a reservation system, the subdivider has made reasonable arrangements to assure the following with respect to those component sites:

(1) That a purchaser has contractual or membership rights to use each component site, and that if a component site is or may become subject to a blanket encumbrance, that the blanket encumbrance is or will be subordinate to these rights.

(2) Adequate provisions exist for lien-free completion of all onsite and offsite improvements.

(3) That, on an annual basis, the sum of the nights which time-share interest owners are entitled to use does not exceed the number of nights available for use by those time-share interest owners.

(4) A mechanism exists to assure reasonable maintenance and operation of the component sites.

(5) Adequate provisions exist for funding the costs of operation and maintenance of the component sites, including reserves, if required, in compliance with the laws of the situs state of the component site.

(6) Each component site is in compliance with the requirements of the situs state applicable to the qualification and sale of time-share interests in the component site.

(b) A subdivider of a single-site time-share project which is associated with one or more component sites through a reservation system shall make the following true and correct disclosures to a purchaser of a time-share interest with respect to the component sites:

(1) Name and address of each component site.

(2) Number of accommodations and use periods expressed in periods of seven-day use availability and available for use by purchasers.

(3) Each type of accommodation in terms of the number of bedrooms, bathrooms, sleeping capacity, and whether the accommodation contains a full kitchen.

(4) A description of facilities available for use by the purchaser at each component site.

(5) A description of the reservation system and the rules and regulations governing reservations.

(6) A summary of restrictions, if any, to be imposed on a purchaser concerning the use of each component site.

(7) A description of any priority reservation rights at any component site which may affect the purchaser's odds of obtaining a reservation at that component site.

SEC. 15. Section 11023 of the Business and Professions Code is amended to read:

11023. Any person who violates Section 11010, 11010.1, 11010.8, 11013.1, 11013.2, 11013.4, 11018.2, 11018.7, 11018.9, 11018.10, 11018.11, 11019, or 11022 is guilty of a public offense punishable by a fine not exceeding ten thousand dollars (\$10,000) or by imprisonment in the state prison, or in a county jail not exceeding one year, or by both that fine and imprisonment.

SEC. 16. Section 2188.8 of the Revenue and Taxation Code is amended to read:

2188.8. (a) Whenever the assessor receives a written request for separate assessment of time-share estates in a time-share project, as defined in Section 11003.5 of the Business and Professions Code and as specified in subdivision (h) of this section, the assessor shall, on the first lien date that occurs more than 60 days following the request, and on each lien date thereafter, separately assess each time-share estate in the project if the assessor determines that the conditions specified in subdivision (c) have been met. Whenever estates in a time-share project are separately assessed, they shall continue to be separately assessed in subsequent fiscal years and once a request for separate assessment is made with respect to a project, it is binding on all future time-share estate owners.

(b) The interest that is to be separately assessed is the value of the right of recurrent, exclusive use or occupancy of real property, annually or on some other periodic basis, for a specific period of time that has been, or will be, allotted from the use or occupancy periods into which the project has been divided.

(c) The separate assessment of a time-share estate may not be made by the assessor unless both of the following occur:

(1) The person making the request certifies that the request for separate assessment has been approved in the manner provided in the organizational documents of the organization involved for approval of matters affecting the affairs of the organization generally.

(2) A diagrammatic floor plan of the improvements, a copy of the documents setting forth the procedures for scheduling time and units to each time-share estate owner, and a list of every time-share estate owner, with a date notation thereon showing when, according to the organization's records, each time-share estate was acquired, have been filed with the assessor. A plot map of the land showing the location of the improvements on the land need not be filed unless requested by the assessor. The organization shall file an annual statement for each succeeding assessment year, on or before April 1, with the assessor setting forth any changes to the required information known to the organization. The list or other information



provided pursuant to this section is not a public document and shall not be open to public inspection, except as provided in Section 408.

(d) Notwithstanding subdivision (c), this section shall not be construed to require any person making a request for separate assessment to meet the requirements of the Subdivision Map Act, nor shall the approval of any governmental agency be required for separate assessment.

(e) The tax on a time-share estate that is separately assessed pursuant to this section shall be a lien solely on the time-share estate and shall be entered on and be subject to all provisions of law applicable to taxes on the secured roll, provided:

(1) If the taxes on any time-share estate that is separately assessed remain unpaid at the time set for declaration of default for delinquent taxes, the taxes on the time-share estate, together with any penalties and costs that may have accrued thereon while on the secured roll, may be transferred to the unsecured roll.

(2) Defaulted time-share estate taxes remaining unpaid on any prior year secured tax roll may be transferred to the unsecured roll and collected like any other tax on the unsecured roll.

(f) The assessor shall provide to the principal office of each time-share project within the taxing jurisdiction, at the time and in the manner as he or she deems appropriate, adequate notice of the provisions of this section and other pertinent information relative to the implementation thereof.

(g) The county may charge a fee for processing an application for separate assessment and for the initial and the ongoing costs, not to exceed the actual cost, of the separate assessment and billing, and mailings, with respect to a time-share project. This fee shall be subject to Chapter 12.5 (commencing with Section 54985) of Part 1 of Division 2 of Title 5 of the Government Code, and shall be proportionately allocated to each of the time-share estate owners. This fee may be collected commencing with the initial separate tax bills, and on subsequent tax bills, and deposited in the county's general fund.

(h) For purposes of this section, "timeshare estate" applies to time-share estates, as defined in Section 11003.5 of the Business and Professions Code, that include a fee simple interest in the underlying property involved. However, "timeshare estate" does not include time-share estates that are coupled with a leasehold interest or an estate for years.

(i) Notwithstanding subdivision (a), when the assessor receives a written request to terminate the separate assessment of time-share estates in a time-share project under subdivision (a), the assessor shall, on the first lien date that occurs more than 60 days following the request, and on each lien date thereafter, prepare a single assessment for all time-share estates in the project. In order to obtain a single assessment, the person making the request shall provide certification

that the request for a single consolidated assessment has been approved in the manner provided in the organization's documents. The person making the request shall also state the name and address of that organization as the organization to receive the single consolidated assessment. On the first lien date, and continuing thereafter, the county shall assess the time-share project. Any lien for taxes shall attach as if the election previously made under subdivision (a) had not been made, and the county shall no longer charge the fees described in subdivision (g).

SEC. 17. Section 2188.9 of the Revenue and Taxation Code is amended to read:

2188.9. (a) Whenever the assessor receives a written request for separate assessment of a time-share project, as defined in Section 11003.5 of the Business and Professions Code, the assessor shall, on the first lien date which occurs more than 60 days following the request, and on each lien date thereafter, separately assess the individual interests in the project described in subdivision (b) if the conditions specified in subdivision (c) have been met. Whenever a time-share project becomes subject to separate assessment, it shall continue to be so subject in subsequent fiscal years and once a request for separate assessment is made, it is binding on all future owners and occupants of the project.

(b) The interest in a time-share project that is to be separately assessed is the value of the right of recurrent, exclusive use or occupancy of real property, annually or on some other periodic basis, for a period of time that has been, or will be, allotted from the use or occupancy periods into which the project has been divided.

(c) A separate assessment may not be made by the assessor under this section unless:

(1) The person making the request certifies that the request for separate assessment has been approved in the manner provided in the organizational documents of the organization involved for approval of matters affecting the affairs of the organization generally; and

(2) A diagrammatic floor plan of the improvements, a copy of the documents setting forth the procedures for scheduling time and units to each time-share interest owner, and a list of every time-share interest owner, with a date notation thereon showing when, according to the organization's records, each interest was acquired, have been filed with the assessor. A plot map of the land showing the location of the improvements on the land need not be filed unless requested by the assessor. The organization shall file an annual statement for each succeeding assessment year, on or before April 1, with the assessor, setting forth any changes to the required information known to the organization. The list or other information provided pursuant to this section is not a public document and shall



not be open to public inspection, except as provided in Section 408 of the Revenue and Taxation Code.

(d) Notwithstanding the provisions of subdivision (c), this section shall not be construed to require applicants for separate assessments to meet the requirements of the Subdivision Map Act, nor shall the approval of any governmental agency be required for separate assessment except for the assessor's approval.

(e) The assessor shall cumulate all the separate assessments in a time-share project and enter the total assessment on the secured roll in the name of the organization or time-share owners' association. The assessor shall notify each owner of a time-share interest subject to separate assessment under this section of the amount of an increased assessment pursuant to Section 619.

(f) The tax on the total assessment with respect to a time-share project shall be a lien on the entire time-share project and shall be subject to all provisions of law applicable to taxes on the secured roll.

(g) The tax collector shall send a single tax bill, with an itemized breakdown detailing the taxes applicable to each separate assessment, to the time-share project organization or owners' association.

(h) The assessor shall provide to the principal office of each time-share project within the taxing jurisdiction, at that time and in that manner as he or she deems appropriate, adequate notice of the provisions of this section and other pertinent information relative to the implementation thereof.

(i) The county may charge a fee for processing the application for separate assessment and for the initial and ongoing costs of separate assessment and implementing subdivision (g), not to exceed the actual costs. Fees shall be subject to Chapter 12.5 (commencing with Section 54985) of Part 1 of Division 2 of Title 5 of the Government Code, and may be collected commencing with the initial separate tax bills, and on subsequent tax bills, and shall be deposited in the county's general fund.

(j) This section shall not apply to time-share estates or to time-share projects that are subject to the provisions of Section 2188.8.

(k) Notwithstanding subdivision (a), when the assessor receives a written request to terminate the separate assessment of a time-share project under subdivision (a), the assessor shall, on the first lien date that occurs more than 60 days following the request, and on each lien date thereafter, prepare a single assessment for the time-share project without an itemized breakdown detailing the taxes applicable to each separate assessment in the time-share project. In order to obtain a single assessment, the person making the request shall provide certification that the request for a single consolidated assessment has been approved in the manner provided in the organization's documents. The person making the request shall

also state the name and address of that organization as the organization to receive the single consolidated assessment. On the first lien date, and continuing thereafter, the county shall assess the time-share project. Any lien for taxes shall attach as if the election previously made under subdivision (a) had not been made, and the county shall no longer charge the fees described in subdivision (i).

SEC. 18. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

Notwithstanding Section 17580 of the Government Code, unless otherwise specified, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

